



OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY AGENDA REPORT

MEETING DATE: 9/23/15

**CONTROL
NO:**

ITEM NO: 3

SUBJECT: RESOLUTION NO. OB 15-42

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016 AND TAKING CERTAIN RELATED ACTIONS

FROM: Successor Agency to the Artesia Redevelopment Agency

PRESENTATION BY: Justine Menzel, Deputy Executive Director

RECOMMENDATION

Approval of ROPS for January 1, 2016 through June 30, 2016.

BACKGROUND

Pursuant to Part 1.85 of Division 24 of the California Health and Safety Code (the "Redevelopment Dissolution Law"), the Successor Agency must prepare a Recognized Obligation Payment Schedule ("ROPS") for each six-month fiscal period (commencing each January 1 and July 1), listing the payments to be made by the Successor Agency during such period. All ROPS must be approved by the Oversight Board. Furthermore, each Oversight Board-approved ROPS must be submitted to the State Department of Finance ("DOF") for review.

Deadlines for ROPS Submission and Review

The Redevelopment Dissolution Law does not specify a deadline for the Successor Agency to submit the ROPS for January 1, 2016 through June 30, 2016 ("ROPS 15-16B") to the Oversight Board for approval. However, the Successor Agency must submit an Oversight Board-approved ROPS 15-16B to the DOF, the Office of the State Controller and the County Auditor-Controller no later than **October 5th, 2015**. The Successor Agency must submit the ROPS to the DOF electronically in the manner of DOF's choosing. A copy of the Oversight Board-approved ROPS must be posted on the Successor Agency's website.

The DOF may eliminate or modify any items on the ROPS before approving the ROPS. The DOF must make its determination regarding the enforceable obligations and the amount and funding source for each enforceable obligation listed on a ROPS no later than 45 days after the ROPS is submitted. Within five business days of the DOF's determination, the Successor Agency may request to "meet and confer" with the DOF on disputed items. The meet and confer period may vary, but an untimely submission of ROPS 15-16B may result in a meet and confer period of less than 30 days.

The County Auditor-Controller may object to the inclusion of any item on the ROPS that is not demonstrated to be an enforceable obligation and may object to the funding source proposed for any item. The County Auditor-Controller must provide notice of its objections to the DOF, the Successor Agency and the Oversight Board.

Penalties for Failure to Make Timely Submission

If the Successor Agency does not submit an Oversight Board-approved ROPS by October 5, 2015, the City of Artesia will be subject to a civil penalty of \$10,000 per day for every day that the ROPS is not submitted to the DOF. The penalty is to be paid to the County Auditor-Controller for distribution to the taxing entities. If the Successor Agency does not timely submit a ROPS, creditors of the successor agency, the DOF, and affected taxing entities may request a writ of mandate to require the Successor Agency to immediately perform this duty. Additionally, if the Successor Agency does not submit a ROPS within 10 days of October 5th, the Successor Agency's administrative cost allowance for that period will be reduced by 25 percent.

If the Successor Agency fails to submit an Oversight Board-approved ROPS to the DOF within five business days of "the date upon which the ROPS is to be used to determine the amount of property tax allocations," the DOF may determine whether the County Auditor-Controller should distribute any of property tax revenues to the taxing entities, or whether any amount should be withheld for enforceable obligations pending approval of the ROPS. It is not clear what is "the date upon which the ROPS is to be used to determine the amount of property tax allocations".

FISCAL IMPACT

The preparation and submittal of ROPS 15-16B is for the purpose of allowing the Successor Agency to pay its enforceable obligations for the period from January 1, 2016 to June 30, 2016.

BOARD ACTION

Staff recommends that the Oversight Board for the Successor Agency to the Artesia Redevelopment Agency adopt Resolution No. OB 15-42, approving the Recognized Obligation Payment Schedule for the six-month fiscal period from January 1, 2016 through June 30, 2016 and taking certain related actions.

ATTACHMENT

Resolution No. OB 15-42

Recognized Obligation Payment Schedule (ROPS 15-16B) - Summary

Filed for the January 1, 2016 through June 30, 2016 Period

Name of Successor Agency: Artesia
Name of County: Los Angeles

| Current Period Requested Funding for Outstanding Debt or Obligation | | Six-Month Total |
|--|--|------------------------|
| Enforceable Obligations Funded with Non-Redevelopment Property Tax Trust Fund (RPTTF) Funding | | |
| A Sources (B+C+D): | | \$ 1,283,731 |
| B Bond Proceeds Funding (ROPS Detail) | | 1,283,731 |
| C Reserve Balance Funding (ROPS Detail) | | - |
| D Other Funding (ROPS Detail) | | - |
| E Enforceable Obligations Funded with RPTTF Funding (F+G): | | \$ 970,418 |
| F Non-Administrative Costs (ROPS Detail) | | 895,418 |
| G Administrative Costs (ROPS Detail) | | 75,000 |
| H Total Current Period Enforceable Obligations (A+E): | | \$ 2,254,149 |

| Successor Agency Self-Reported Prior Period Adjustment to Current Period RPTTF Requested Funding | | |
|---|--|-------------------|
| I Enforceable Obligations funded with RPTTF (E): | | 970,418 |
| J Less Prior Period Adjustment (Report of Prior Period Adjustments Column S) | | - |
| K Adjusted Current Period RPTTF Requested Funding (I-J) | | \$ 970,418 |

| County Auditor Controller Reported Prior Period Adjustment to Current Period RPTTF Requested Funding | | |
|---|--|----------------|
| L Enforceable Obligations funded with RPTTF (E): | | 970,418 |
| M Less Prior Period Adjustment (Report of Prior Period Adjustments Column AA) | | - |
| N Adjusted Current Period RPTTF Requested Funding (L-M) | | 970,418 |

Certification of Oversight Board Chairman:
Pursuant to Section 34177 (m) of the Health and Safety code, I
hereby certify that the above is a true and accurate Recognized
Obligation Payment Schedule for the above named agency.

| | |
|-----------|-------|
| | |
| Name | Title |
| | |
| /s/ | |
| | |
| Signature | Date |

Artesia Recognized Obligation Payment Schedule (ROPS 15-16B) - ROPS Detail
January 1, 2016 through June 30, 2016
(Report Amounts in Whole Dollars)

| A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P |
|--------|--|--|-----------------------------------|-------------------------------------|----------------------------|---|-------------------------------------|--------------------------------------|---------|---|-----------------|-------------|------------|-----------|-----------------|
| Item # | Project Name / Debt Obligation | Obligation Type | Contract/Agreement Execution Date | Contract/Agreement Termination Date | Payee | Description/Project Scope | Project Area | Total Outstanding Debt or Obligation | Retired | Funding Source | | | | | Six-Month Total |
| | | | | | | | | | | Non-Redevelopment Property Tax Trust Fund (Non-RPTTF) | | | RPTTF | | |
| | | | | | | | | | | Bond Proceeds | Reserve Balance | Other Funds | Non-Admin | Admin | |
| | | | | | | | | \$ 47,007,546 | | \$ 1,283,731 | \$ - | \$ - | \$ 895,418 | \$ 75,000 | \$ 2,254,149 |
| 1 | 2007 Tax Allocation Bond | Revenue Bonds | 12/5/2007 | 12/31/2042 | Wells Fargo Bank, N.A. | Non-housing bond debt service | Central Commercial | 22,452,580 | N | | | | 528,463 | | \$ 528,463 |
| 2 | 2009 Tax Allocation Bond | Revenue Bonds Issued On or Before 12/31/10 | 6/18/2009 | 6/18/2046 | Wells Fargo Bank, N.A. | Housing bond debt service payments | Central Commercial Corridor Project | 8,502,135 | N | | | | 285,255 | | \$ 285,255 |
| 3 | Tax allocation bonds | Fees | 1/1/2008 | 6/18/2046 | Urban Futures, Inc. | Continuing disclosure fees | Central Commercial Corridor Project | 111,000 | N | | | | 3,700 | | \$ 3,700 |
| 4 | Tax allocation bonds | Fees | 1/1/2008 | 6/18/2046 | Willdan Financial Services | Arbitrage rebate calculation | Central Commercial Corridor Project | 16,000 | N | | | | | | \$ - |
| 6 | Cooperative Agreement | Admin Costs | 2/1/2012 | 2/1/2046 | City of Artesia | Administration and operations of Successor Agency | Central Commercial Corridor Project | 6,250,000 | N | | | | | | \$ - |
| 16 | Tax Allocation bond reserve trustee | Fees | 12/5/2007 | 6/18/2046 | Wells Fargo Bank, N.A. | Trustee services | Central Commercial Corridor Project | 292,100 | N | | | | 3,000 | | \$ 3,000 |
| 17 | Downtown District-Pioneer Blvd. Revitalization | Improvement/Infrastructure | 5/13/2013 | 12/31/2042 | City of Artesia | Complete bond funded redevelopment project | Central Commercial Corridor Project | - | Y | | | | | | \$ - |
| 19 | Historic District | Improvement/Infrastructure | 12/1/2013 | 12/31/2042 | City of Artesia | Complete bond funded redevelopment project | Central Commercial Corridor Project | - | Y | | | | | | \$ - |
| 20 | Housing Entity Administrative Cost Allowance | Admin Costs | 7/1/2014 | 7/1/2018 | Artesia Housing Authority | As allowed by AB471 | | 600,000 | N | | | | 75,000 | | \$ 75,000 |
| 21 | Administration and Overhead | Admin Costs | 7/1/2015 | 6/30/2046 | City of Artesia | Administration and operations of Successor Agency | Central Commercial Corridor Project | 7,500,000 | N | | | | | 75,000 | \$ 75,000 |
| 22 | Housing Bond proceeds | Bonds Issued On or Before 12/31/10 | 9/23/2015 | 6/18/2046 | City of Artesia | Complete bond funded Housing project | Central Commercial Corridor Project | 1,283,731 | N | 1,283,731 | | | | | \$ 1,283,731 |
| 23 | | | | | | | | | N | | | | | | \$ - |
| 24 | | | | | | | | | N | | | | | | \$ - |
| 25 | | | | | | | | | N | | | | | | \$ - |
| 26 | | | | | | | | | N | | | | | | \$ - |
| 27 | | | | | | | | | N | | | | | | \$ - |
| 28 | | | | | | | | | N | | | | | | \$ - |
| 29 | | | | | | | | | N | | | | | | \$ - |
| 30 | | | | | | | | | N | | | | | | \$ - |
| 31 | | | | | | | | | N | | | | | | \$ - |

Artesia Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Cash Balances
(Report Amounts in Whole Dollars)

Pursuant to Health and Safety Code section 34177 (l), Redevelopment Property Tax Trust Fund (RPTTF) may be listed as a source of payment on the ROPS, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. For tips on how to complete the Report of Cash Balances Form, see [Cash Balance Tips Sheet](#)

| A | B | C | D | E | F | G | H | I |
|--|---|------------------------------------|-----------------------------------|--|--|------------------------------|---------------------|--|
| | | Fund Sources | | | | | | |
| | | Bond Proceeds | | Reserve Balance | | Other | RPTTF | |
| | | Bonds Issued on or before 12/31/10 | Bonds Issued on or after 01/01/11 | Prior ROPS period balances and DDR RPTTF balances retained | Prior ROPS RPTTF distributed as reserve for future period(s) | Rent, Grants, Interest, Etc. | Non-Admin and Admin | |
| | Cash Balance Information by ROPS Period | | | | | | | Comments |
| ROPS 14-15B Actuals (01/01/15 - 06/30/15) | | | | | | | | |
| 1 | Beginning Available Cash Balance (Actual 01/01/15) | 2,419,921 | | 395,996 | | | 12,419 | |
| 2 | Revenue/Income (Actual 06/30/15) RPTTF amounts should tie to the ROPS 14-15B distribution from the County Auditor-Controller during January 2015 | 4,396 | | | | | 653,520 | |
| 3 | Expenditures for ROPS 14-15B Enforceable Obligations (Actual 06/30/15) RPTTF amounts, H3 plus H4 should equal total reported actual expenditures in the Report of PPA, Columns L and Q | | | 90,559 | | | 662,939 | |
| 4 | Retention of Available Cash Balance (Actual 06/30/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 2,424,317 | | 305,437 | | | | |
| 5 | ROPS 14-15B RPTTF Prior Period Adjustment RPTTF amount should tie to the self-reported ROPS 14-15B PPA in the Report of PPA, Column S | No entry required | | | | | - | |
| 6 | Ending Actual Available Cash Balance C to G = (1 + 2 - 3 - 4), H = (1 + 2 - 3 - 4 - 5) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,000 | RPTTF distribution for 15/16A was reduced by \$3,000 |
| ROPS 15-16A Estimate (07/01/15 - 12/31/15) | | | | | | | | |
| 7 | Beginning Available Cash Balance (Actual 07/01/15) (C, D, E, G = 4 + 6, F = H4 + F4 + F6, and H = 5 + 6) | \$ 2,424,317 | \$ - | \$ 305,437 | \$ - | \$ - | \$ 3,000 | |
| 8 | Revenue/Income (Estimate 12/31/15) RPTTF amounts should tie to the ROPS 15-16A distribution from the County Auditor-Controller during June 2015 | | | | | | 625,391 | |
| 9 | Expenditures for ROPS 15-16A Enforceable Obligations (Estimate 12/31/15) | 1,283,731 | | | | | 628,391 | |
| 10 | Retention of Available Cash Balance (Estimate 12/31/15) RPTTF amount retained should only include the amounts distributed as reserve for future period(s) | 1,140,586 | | 305,437 | | | | |
| 11 | Ending Estimated Available Cash Balance (7 + 8 - 9 - 10) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | |

| | |
|---|--|
| <p style="text-align: center;">Artesia Recognized Obligation Payment Schedule (ROPS 15-16B) - Report of Prior Period Adjustments Reported for the ROPS 14-15B (January 1, 2015 through June 30, 2015) Period Pursuant to Health and Safety Code (HSC) section 34186 (a) (Report Amounts in Whole Dollars)</p> | |
|---|--|

ROPS 14-15B Successor Agency (SA) Self-reported Prior Period Adjustments (PPA): Pursuant to HSC Section 34186 (a), SAs are required to report the differences between their actual available funding and their actual expenditures for the ROPS 14-15B (January through June 2015) period. The amount of Redevelopment Property Tax Trust Fund (RPTTF) approved for the ROPS 15-16B (January through June 2016) period will be offset by the SA's self-reported ROPS 14-15B prior period adjustment. HSC Section 34186 (a) also specifies that the prior period adjustments self-reported by SAs are subject to audit by the county auditor-controller (CAC) and the State Controller.

[illegible]

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| <p>Artesia Recognized Obligation Payment Schedule (ROPS 15-16B) - Notes</p> <p>January 1, 2016 through June 30, 2016</p> |
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[illegible]

RESOLUTION NO. OB 15-42

A RESOLUTION OF THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY APPROVING A RECOGNIZED OBLIGATION PAYMENT SCHEDULE FOR THE SIX-MONTH FISCAL PERIOD FROM JANUARY 1, 2016 THROUGH JUNE 30, 2016, AND TAKING CERTAIN RELATED ACTIONS

RECITALS:

A. Pursuant to Health and Safety Code Section 34177(l), the Successor Agency to the Artesia Redevelopment Agency (the "Successor Agency") must prepare a proposed Recognized Obligation Payment Schedule ("ROPS") before each six-month fiscal period (commencing each January 1 and July 1) and submit each proposed ROPS to the Oversight Board for the Successor Agency (the "Oversight Board") for approval.

B. Pursuant to Health and Safety Code Section 34177(l)(2)(C) and (m), the Successor Agency must (1) submit the Oversight Board-approved ROPS for the six-month fiscal period from January 1, 2016 through June 30, 2016 ("ROPS 15-16B"), to the State Department of Finance (the "DOF"), the Office of the State Controller, and the County Auditor-Controller no later than October 5, 2015; and (2) post a copy of the Oversight Board-approved ROPS 15-16B on the Successor Agency's website.

NOW, THEREFORE, THE OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY, HEREBY FINDS, DETERMINES, RESOLVES, AND ORDERS AS FOLLOWS:

Section 1. The above recitals are true and correct and are a substantive part of this Resolution.

Section 2. The Oversight Board hereby approves proposed ROPS 15-16B, substantially in the form attached hereto as Exhibit A. Staff of the Successor Agency is hereby authorized and directed to submit a copy of Oversight Board-approved ROPS 15-16B to the DOF, the Office of the State Controller, and the County Auditor-Controller and to post a copy of the Oversight Board-approved ROPS 15-16B on the Successor Agency's Internet website (being a page on the Internet website of the City of Artesia).

Section 3. The members of the Oversight Board and the staff of the Successor Agency are hereby authorized and directed, jointly and severally, to do any and all things which they may deem necessary or advisable to effectuate this Resolution, including requesting additional review by the DOF and an opportunity to meet and confer on any disputed items, and any such actions previously taken are hereby ratified and confirmed.

PASSED, APPROVED AND ADOPTED this 23rd day of September, 2015.

AYES:

NOES:

ABSENT:

ABSTAIN:

Kathrin Wardle, VICE CHAIR

ATTEST:

Gloria Considine, SECRETARY
OVERSIGHT BOARD FOR THE SUCCESSOR AGENCY TO THE
ARTESIA REDEVELOPMENT AGENCY

EXHIBIT A

**SUCCESSOR AGENCY TO THE ARTESIA REDEVELOPMENT AGENCY
RECOGNIZED OBLIGATION PAYMENT SCHEDULE
(January 1, 2016 through June 30, 2016)**